

None of us is under any illusion that the measure which we introduced removes all complexity or breaks bold new conceptual ground. We believe, however, that the enactment of this legislation would be a significant step in the right direction. The legislation would enhance the ability of America to continue to be the preeminent economic force in the world. If our economy is to continue to create jobs for its citizens, we must ensure that the foreign provisions of the United States income tax law do not stand in the way.

There are many aspects of the current system that should be reformed and greatly improved. These reforms would significantly lower the cost of capital, the cost of administration, and therefore the cost of doing business for U.S.-based firms. This bill addresses a number of such problems, including significant anomalies and provisions whose administrative effects burden both the taxpayers and the government.

The focus of the legislation is to put some rationalization to the international tax area. In general, the bill seeks in modest but important ways to: (1) simplify this overly complex area, especially in subpart F of the Code and the foreign tax credit mechanisms; (2) encourage exports; (3) enhance U.S. competitiveness in other industrialized countries.

The bill would, among other necessary and important adjustments, make permanent the provision regarding the subpart F exception for active financial services income, modify other provisions that apply subpart F of the Code in inappropriate ways, eliminate double taxation by extending the periods to which excess foreign tax credits may be carried, restore symmetry to the treatment of domestic and foreign losses, and make needed adjustments to the so-called "10/50 company" provisions that burden the joint venture relationships that many of our companies form in their international business relations.

In summary, the law as now constituted frustrates the legitimate goals and objective of American business and erects artificial and unnecessary barriers to U.S. competitiveness. Neither the largest U.S. based multinational companies nor the Internal Revenue Service is in a position to administer and interpret the mine numbing complexity of many of the foreign provisions. Why not then move toward creating a set of international tax rules which taxpayers can understand, and the government can administer? Therefore the proposed changes we believe represent a creditable package and a "down payment" on further reform in the international tax area. We urge our colleagues to join us in cosponsoring this important legislation.

TRIBUTE TO RETIRED COLONEL
ALICE GRITSAVAGE

HON. CLIFF STEARNS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1999

Mr. STEARNS. Mr. Speaker, I rise to take notice of a special citizen, Retired Colonel Alice Gritsavage. She is one of a kind person that deserves special recognition.

Ms. Gritsavage resides in my hometown of Ocala, Florida and she has had a remarkable life. Ms. Gritsavage served our nation as a

nurse in both World War II and the Korean War. In fact, her outstanding record as an executive Army nurse in World War II influenced General Douglas MacArthur to request that she be named to his staff as Chief Nurse of the Far East Command at the start of the Korean conflict.

I would like to quote from the congratulatory letter Col. Gritsavage received on the date of her departure from the Korean Command on May 28, 1953 from General Mark Clark, Commander in Chief of the United States Army at that time.

General Clark wrote:

You had been in the theatre only a short time when the Communist aggressors threatened world peace by their unprovoked invasion of South Korea. This event required a tremendous build up of medical and hospital facilities, both in Japan and Korea, to care for the wounded of the United Nations. Since that time the standards of the Army Nurse Corps in the Command have reached a level unparalleled in the Corps. Your untiring efforts, outstanding leadership and devotion to duty have set a brilliant example and have been directly responsible for the excellent services performed by our gallant Army Nurses in this, the United Nations first armed bid for world peace.

Col. Gritsavage's dedicated service to our nation led our local chapter of Korean War Veterans to name their chapter after Ms. Gritsavage. At the time of this dedication in 1995, the Ocala chapter was the only one in the nation to be named after a woman—reflecting the importance of Col. Gritsavage to our community.

I thank Colonel Gritsavage on behalf of my district and on behalf of our nation for her wonderful service in her remarkable life.

IN HONOR OF MS. FEN LEWIS AND
MS. LOIS KLAMAR FOR RECEIVING
PRESIDENTIAL AWARDS

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1999

Mr. KUCINICH. Mr. Speaker, I rise today to honor Ms. Fen Lewis of Strongsville High School and Lois Klamar of Jamison CompuTech Center for receiving presidential teaching awards. Ms. Lewis and Ms. Klamar will receive their awards at a White House ceremony the week of June 7, 1999.

The Presidential Teaching Awards program recognizes a special group of elementary and secondary teachers for their commitment and dedication to nurturing student interest in science and mathematics. Ms. Lewis and Ms. Klamar are indeed very devoted teachers and are well deserving of these prestigious awards.

They have set an example for all teachers across the nation to follow. We need more teachers like Ms. Lewis and Ms. Klamar to help our kids strive for excellence in the classroom. The students of these two schools should be honored and proud to have these people as their teachers and role models. Both teachers are excellent representatives of their schools because of their considerable accomplishments with their students. These teachers have been presented with one of the highest honors in their field and should be given their rightful recognition.

My fellow colleagues, please join me in honoring both of these outstanding teachers on receiving presidential awards.

SIXTH REPORT OF THE SPEAKER'S
TASK FORCE ON THE HONG
KONG TRANSITION

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1999

Mr. BEREUTER. Mr. Speaker, this Member rises today to submit the Sixth Report of the Speaker's Task Force on the Hong Kong Transition. It has been almost two years since Hong Kong reverted to Chinese sovereignty on July 1, 1997. Prior to that historic event, at the request of Speaker Gingrich, this Member formed the House Task Force on Hong Kong's Transition. In addition to myself as Chairman, the bipartisan Task Force includes Representatives HOWARD BERMAN (D-CA), SHERROD BROWN (D-OH), ENI FALEOMAVAEGA (D-AS), ALCEE HASTINGS (D-FL), DON MANZULLO (R-IL), and MATT SALMON (R-AZ).

To date, the Task Force has prepared six quarterly reports assessing how the reversion has affected Hong Kong. The sixth report, which I submit today, covers the period of October through March 31, 1999, during which time this Member, as Task Force Chairman, visited Hong Kong in January 1999.

Mr. Speaker, this Member submits the following Task Force report for the RECORD.

THE SPEAKER'S TASK FORCE ON THE HONG
KONG TRANSITION, SIXTH REPORT

This is the sixth report of the Task Force on the Hong Kong Transition. It follows the first report dated October 1, 1997, the second reported dated February 25, 1998, the third report dated May 22, 1998, the fourth report dated July 23, 1998, and the fifth report dated February 2, 1999. This report focuses on events and development relevant to United States interests in the Hong Kong Special Administrative Region (HKSAR) between October 1, 1998, and March 31, 1999, and incorporates findings drawn from the Task Force Chairman's visit to Hong Kong in January, 1999.

Hong Kong's ongoing economic recession marked the six months covered by this report as the consequences of the Asian Financial Crisis continued to be felt. Hong Kong's gross domestic product (GDP) declined by 5.1 percent in real terms in 1998, its first annual contraction on record. Unemployment and trade figures were correspondingly negative. Despite the difficulties, Hong Kong authorities operated independently in all areas of economic decision making, and there was no evidence of any attempt to intervene by Beijing. Opinion on the Hong Kong government's controversial August 1998 intervention in the currency, stock and futures markets turned increasingly positive as equities regained much of their lost value and the currency exchange rate held steady.

In the legal-political realm, Chinese officials' public expressions of unhappiness over a controversial decision by Hong Kong's Court of Final Appeal raised concern about the future independence of the Hong Kong judiciary. Discussions between Hong Kong and Beijing authorities, combined with a "clarification" issued by the court, appeared to have succeeded in settling the matter, at least temporarily, without serious damage to the "one country, two systems" concept. The